

Message Text

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APPROVED BY A/BF/FC:RPWHITENER

TREAS:OASIA/ODP:FMARESCA

TREAS:OASIA/DNF:RBLAKE

TREAS:OS/GC:LSANTOS

TREAS:GFO:IKESSER

TREAS:OASIA/ODP:RPELIKAN

NEA/EX:BWOERZ

SCA:JKILEY

A/BF/FC:JEMANION

-----021908Z 037897 /50

P 021805Z APR 77

FM SECSTATE WASHDC

TO AMEMBASSY CAIRO PRIORITY

INFO AMEMBASSY PARIS PRIORITY

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PARIS FOR RFC

E.O. 11652:

TAGS:

SUBJECT: EXCHANGE RATES

REFERENCE: (A) STATE 194527 (B) CAIRO 13829 (C) CAIRO
16070

1. BASED ON ITS REVIEW OF EXCHANGE RATES AND INFORMATION
PROVIDED BY EMBASSY (REF B), TREASURY HAS DETERMINED THAT
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THE FOLLOWING CHANGES SHOULD BE MADE:

(A) THE OFFICIAL RATE OF \$1 39 PIASTERS SHOULD BE USED
FOR INTERNATIONAL ORGANIZATIONS AND FOR PAYMENT OF CONSULAR
-- FEES AND LOCAL PAYROLLS.

(B) THE INCENTIVE RATE OF \$1 70 PIASTERS SHOULD BE

USED FOR ACCOMMODATION EXCHANGE, TOURIST SALES, AND OFFICIAL INTERNAL TRANSACTIONS.

NOTE: THIS IS A REVISION IN THE RATE FOR CONSULAR FEES AND LOCAL PAYROLLS FROM \$1 40 PIASTERS TO \$1 39 PIASTERS, AND A REVISION OF THE INTERNAL OFFICIAL RATE FROM \$1 55 PIASTERS TO \$1 70 PIASTERS.

2. TREASURY REASONING FOR THESE CHANGES ARE (A) WITH REGARD TO THE RATE FOR CONSULAR FEES AND LOCAL PAYROLLS, THE OLD RATE OF \$1 40 PIASTERS IS NOT A RATE WHICH IS OTHERWISE AVAILABLE FOR SUCH TRANSACTIONS, AND THEREFORE IS INCONSISTENT WITH TREASURY POLICY AS STATED IN REF A, (B) WITH REGARD TO THE OFFICIAL INTERNAL RATE, THE OLD RATE OF \$1 55 PIASTERS WAS BASED ON THE AVAILABILITY OF THE INCENTIVE RATE TO USG AGENCIES AT THE TIME THAT THE SPECIAL INTERNAL RATE WAS ESTABLISHED. TREASURY HAS FOUND THAT JUSTIFICATION FOR THE SPECIAL INTERNAL RATE STILL EXISTS, BASED ON THE AVAILABILITY OF THE INCENTIVE RATE. ACCORDINGLY, THIS RATE SHOULD BE REVISED TO REFLECT THE CURRENT INCENTIVE RATE.

3. IN THE FUTURE, EMBASSY SHOULD FOLLOW THE SAME PROCEDURE FOR REVISING THE INTERNAL RATE THAT IT CURRENTLY FOLLOWS IN REVISING THE ACCOMMODATION RATE. UPON NOTIFICATION OF REVISED INCENTIVE EXCHANGE RATE PAYABLE BY BANKS, EMBASSY SHOULD CHANGE ACCOMMODATION AND INTERNAL RATES TOGETHER AND NOTIFY DEPARTMENT AND TREASURY.

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4. IN VIEW OF THESE CHANGES, ISSUE OF EXCHANGE RATES RAISED IN REF C, IS NOW SOMEWHAT ACADEMIC SINCE THE RATES WILL NOW BE THE SAME. HOWEVER, THE ISSUE OF RECONVERSION BY CODELS OF UNUSED FUNDS BACK TO DOLLARS IS STILL IMPORTANT. EMBASSY WAS CORRECT IN REFUSING CONVERSION. UNUSED FUNDS MUST BE RETURNED TO 19FT510 ACCOUNT. THE LAW CLEARLY STATE THAT FUNDS FOR CONGRESSIONAL TRAVELERS ARE TO MEET LOCAL CURRENCY EXPENSES INCURRED IN CARRYING OUT THEIR OFFICIAL DUTIES, NOT REPEAT NOT FOR CONVERSION INTO DOLLARS.

5. PLEASE IMPLEMENT NEW RATE ASAP AND ADVISE DEPARTMENT WHEN EFFECTED.
CHRISTOPHER

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Message Attributes

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Capture Date: 01-Jan-1994 12:00:00 am
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Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 02-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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ISecure: 1
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Secure: OPEN
Status: NATIVE
Subject: EXCHANGE RATES
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